

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Orkla is a leading supplier of branded consumer goods to the grocery, out-of home, specialized retail, pharmacy, and bakery sectors. The Nordic and Baltic regions and selected countries in Central Europe are Orkla’s main markets. The Orkla Group also holds strong positions in selected product categories in India.

Orkla’s Branded Consumer Goods business comprises the Orkla Foods Nordic & Baltics, Orkla Foods International, Orkla Confectionery & Snacks, Orkla Care and Orkla Food Ingredients business areas. Orkla also has operations organised under the Orkla Investments business area, consisting of its investment in Jotun (42.6% interest), in addition to Hydro Power and financial assets. Orkla ASA is listed on the Oslo Stock Exchange and its head office is in Oslo, Norway. As of 31 December 2020, Orkla had 18,109 employees. The Group’s turnover in 2020 totaled NOK 5.4 billion.

Orkla’s strategic objective is to strengthen its position as the leading branded consumer goods company in the Nordics, Baltics, Central Europe, India, and other selected markets. Innovations based on the Group’s unique local customer and consumer insight are an important growth driver. By working more closely as “One Orkla”, the Group will more effectively exploit economies of scale and create cross-cutting synergies. In this way, Orkla will strengthen its long-term competitiveness, while preserving its local presence. In 2020, Orkla continued its efforts to develop its portfolio in geographies, categories, and channels, and carried out cut cost initiatives across the value chain, in both supply chain and commercial functions. During the year, the Group also strengthened its position as leading branded consumer goods company through the acquisition of several companies.

Orkla wishes to contribute to sustainable development by offering healthy, environmentally friendly products, maintaining high food safety standards, making efficient use of resources, carrying out supply chain improvements and generally operating responsibly. Orkla’s sustainability work is pivotal to Orkla’s ability to create growth, build trust and remain a competitive business. In 2017 the Group developed new, common sustainability targets that will apply up to 2025. In 2020, Orkla launched a new internal sustainability aspiration up to 2030 which underscores the **importance** of sustainable products and of mobilizing the entire organization. Orkla’s sustainability strategy covers the following main topics: nutrition and wellness, safe products, sustainable sourcing, environmental engagement and care for people and society. We are committed to helping solve global health and sustainability challenges and support the UN’s global goals. Sustainability has become a natural part of our business model, and we have developed criteria for how we define sustainable products.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Austria
- China
- Czechia
- Denmark
- Estonia
- Finland
- Germany
- Hungary
- Iceland
- India
- Latvia
- Lithuania
- Malaysia
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russian Federation
- Slovakia
- Spain
- Sweden
- United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

NOK

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Do not own/manage land

Please explain

We have performed company-wide analysis and we have concluded that emissions from agriculture/forestry activities undertaken on own land are not relevant for us since we do not own any agricultural farms.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Cattle products

% of revenue dependent on this agricultural commodity

20-40%

Produced or sourced

Sourced

Please explain

A broad range of Orkla's products include dairy products and we estimate that 20-40% of the revenues come from products with raw materials originating from dairy products.

Agricultural commodity

Wheat

% of revenue dependent on this agricultural commodity

10-20%

Produced or sourced

Sourced

Please explain

A broad range of Orkla's products include wheat and we estimate that 10- 20% of the revenues come from products with raw materials originating from wheat.

Agricultural commodity

Sugar

% of revenue dependent on this agricultural commodity

20-40%

Produced or sourced

Sourced

Please explain

A broad range of Orkla's products include sugar and we estimate that 20-40% of the revenues come from products with sugars as an ingredient.

Agricultural commodity

Palm Oil

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Sourced

Please explain

Orkla purchases palm oil mainly from Indonesia and Malaysia as well as South America and West Africa. We do not have own operations in the producing countries, but purchase from European food companies. Orkla does not have aggregated data on the share of products containing palm oil, hence the figure is a best estimate.

Agricultural commodity

Soy

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Sourced

Please explain

Orkla uses various types of soy based raw materials in different product categories.

Agricultural commodity

Timber

% of revenue dependent on this agricultural commodity

More than 80%

Produced or sourced

Sourced

Please explain

Almost all products use some sort of paperbased packaging, hence the high estimate. Orkla purchase packaging materials consisting of virgin paper and recycled fibre mainly from European producers.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Director on board	The Orkla Sustainability Strategy and EHS management (including climate change), are anchored at Orkla Group Executive Board and the Board of Directors. The Audit Committee of the Board of Directors performs a review of the risk picture with a 0-5 year perspective, including sustainability risks. The Committee reports to the Chairman of the Board. An important climate-related decision made during 2020 was the establishment of Orkla Ocean, marking the start of Orkla's focus on seaweed as a raw material. Orkla Ocean is an important sustainability initiative for Orkla and is aimed at developing seaweed-based aromas. The aromas have now gone into production at the Toro factory at Arna and will be introduced in the Naturli' burgers. This decision was anchored at the Orkla Group Executive Board.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	Orkla has developed Group targets for sustainability towards 2025. These include several climate-related targets. Orkla's Board of Directors monitors the Group's efforts by means of an annual assessment of progress in sustainability work, quarterly reviews of changes in key EHS indicators and ongoing discussion of individual matters considered to be of material importance of Orklas operations. Orkla's Group Director of Corporate Communications and Corporate Affairs has administrative responsibility for Orkla's corporate responsibility work, and determines which matters are to be submitted to the Board of Directors. The Board also assesses Orkla's annual sustainability reporting.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other committee, please specify (Audit Committee)	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Chief Operating Officer (COO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Senior Vice President, EHS)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Climate change is integrated into company strategy and company-wide management process. Therefore, the positions with the highest responsibilities for climate-related issues are the CEO of Orkla, and the CEO, Sustainability Director and COO of the business areas who have the overall overview of all strategic areas in the company. CEO reports to the Board of Orkla and status on climate-related issues is presented at least once a year in Board meetings. Senior Vice President, EHS reports on the status of climate related issues to CEO within regular meetings. SVP, EHS has quarterly meetings with Orkla BA's where climate-related issues are discussed with the Sustainability Director and COO. They provide feedback to SVP, EHS regarding plans, activities, targets and other climate-related initiatives. The assessing of climate-related issues is assigned to SVP, EHS that have competencies in environmental field.

The CEO of each Orkla company is responsible for implementing the Group's directive on corporate responsibility and drawing of action plans for sustainability work based on Orkla's sustainability targets up to 2025. This work must be integrated into the company's operations and be based on the precautionary principle and the principle of continuous improvement. To ensure ongoing follow-up in each Orkla company, a semi-annual update of the risk picture is carried out, in addition to the risk analysis that is integrated into the company's decision-making processes.

The audit committee has competences related to risk assessment. The climate-related issues are monitored on regular basis through established systems and routines. Orkla's overall risk picture, including climate-related issues, is reviewed by the Group Executive Board and discussed by the Board of Directors, in addition to being reviewed by the Board's Audit Committee. Orkla's Executive Management Team is presented with the status twice a year, in addition to taking part in ongoing discussions of individual cases that are considered to be of significant importance to Orkla's operations. The Group's risk management lies within the remit of the finance functions and is intended to ensure that all risk of significance for Orkla's value creation is identified, analysed and effectively dealt with by business areas and specialized staffs. The Central Finance staff are responsible for Orkla's risk management model, and the Group's risk management programme is reviewed on a regular basis.

In 2020, Orkla's Sustainability Committee was established to facilitate coordination of sustainability work across business areas and functions, initiate joint development activities and provide support for Orkla's Group Executive Board.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Non-monetary reward	Energy reduction target	
Chief Operating Officer (COO)	Monetary reward	Energy reduction target	Orkla has a long-term incentive programme for executive managers divided into financial and personal targets. Sustainability targets such as KPI's for climate change related issues will be included in this.
Business unit manager	Non-monetary reward	Energy reduction target	
Facilities manager	Non-monetary reward	Energy reduction target	
Environmental, health, and safety manager	Monetary reward	Emissions reduction target	Sustainability strategy is followed by environmental, health and safety manager and includes different clear targets related to climate change.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Budget plan, KPI performance follow-up
Medium-term	3	10	Our business practice is to have a medium- term 3 year business plan.
Long-term	10	20	Our medium- term plan was developed for years 2016-2025, setting the Orkla climate commitment for 2025 based on the Science Based Targets initiative. For the long-term perspective we have considered 2040 as a target year for our SBT and commit to reduce GHG for scope 1&2 with 77% by 2040 (base year 2014) and scope 3 with 75%.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

During 2018 we started looking into the recommendations on risk assessment and reporting from the TCFD. In 2019, we carried out a structured workshop processes to develop a more comprehensive and detailed of climate-related risk assessment and the commercial implications for Orkla. In 2020, work was carried out to increase awareness internally on the identified risk factors. Orkla's assessment and reporting of climate related risks will be further developed in line with the recommendations of TCFD during 2021. Substantive financial or strategic impact is an impact that has a material effect on Orkla's current or future profitability. The clear risk criteria's are defined in the management system.

We see substantial financial opportunities linked to product development and production efficiency. In most of the markets in which Orkla is present, demands for healthy food, plant-based products and grocery products with environmentally friendly packaging are clear consumer trends. Changing trends and consumer preferences pose a risk if Orkla fails to keep close track of developments and make the necessary adjustments to the new situation. Orkla is responding to these changes proactively by maintaining a long-term focus on e.g. sustainable raw material production. Orkla works systematically to offer new innovations in response to trends and has intensified its focus on plant-based products and climate-friendly products. To reduce risk, Orkla attaches importance to gaining good consumer insight through experience sharing and consumer testing and close-follow up of customer.

Drought and bad weather have impacted the production and hence, the price of certain agricultural raw materials purchased by Orkla. Changing weather patterns also pushed the price of energy and water up in some of the countries in which we have production facilities. We anticipate continued volatility in the price of raw materials, energy and water in the years ahead, but expect the consequences of extreme weather to be moderate for Orkla in the short and medium term.

Substantive financial or strategic impact is an impact that has a material effect on Orkla's current or future profitability. Orkla considers impacts with a cost above 25 MNOK as high in our risk assessments, as well as in contingency cases. A substantive risk is 5% of enterprise value. As Orkla do have several small companies, the related cost value will vary.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Orkla's 2025 targets and long term SBT are based on an assessment on climate related risks in a 10 year perspective. As part of our annual budget process the EHS managers assess risks with a 1-3 year perspective. The overall Orkla risk review is conducted 2 times a year lead by the Group Financial department responsible for overall Risk Management work in Orkla. In 2018 we started to look into the recommendations on risk assessment and reporting from the TCFD. In 2019, we carried out a structured workshop processes to develop a more comprehensive and detailed understanding of climate-related risk assessment and the commercial implications for Orkla. In 2020, work was carried out to increase awareness internally on the identified risk factors. Orkla's assessment and reporting of climate related risks will be further developed in line with the recommendations of TCFD during 2021. i) Risk identification and assessment on company level Orkla has adopted a structured approach to identifying risk factors and implementing risk-mitigating measures in its operations. In all aspects of business operations within the Orkla Group, risk evaluation is an ongoing process, including an assessment of regulatory, customer behaviour change, reputational, political, technical, physical risks like exposure to climate change and carbon trading schemes. Companies within the Group's portfolio operates in different industries and in more than 20 different countries, so all kind of risks are considered before entering a new business or a new country, including exposure to climate change. Risk assessments are carried out routinely in all units, and thereafter presented to and discussed by the internal boards of directors as part of the budget process. The process of risk management. The identification and management of climate-related risks follows the Group's established process for risk management. The management of each Orkla company is responsible for risk management and internal control. Orkla's risk management system is fundamental to achieve these objectives. To ensure follow-up in each Orkla company, a semi-annual update of the risk picture is carried out, in addition to the risk analysis that is integrated into the company's decision-making process. The Group's risk management lies within the remit of the finance functions and is intended to ensure that all risk of significance for Orkla's value creation is identified, analysed, and effectively dealt with by business areas and specialised staffs. This entails, among other things, continuously monitoring important risk indicators in order to reassess the Group's level of risk and associated risk mitigation measures, if necessary, and ensuring that Orkla's risk management is in compliance with relevant regulatory requirements and reasonably satisfactory to Orkla's stakeholders. Designated risk management experts carry out detailed risk analyses in certain specialised fields and are responsible for selected measures to mitigate risk at Group level. The Central Finance staff are responsible for Orkla's risk management model, including presenting Orkla's consolidated risk profile to the Group Executive Board, the Board of Directors, and the Board's Audit Committee, as well as maintaining instructions and guidelines for risk management and reporting. The guidelines for risk management state that all significant matters must be considered. Climate risk is a significant risk factor. The Group will consider how climate risk factors can be further integrated into risk management in the future. A thorough assessment will help us understand the effect of climate-related risks and opportunities for the business, including the possible economic effect. It is important that Orkla's companies become familiar with and assess the effect of the exposure they have associated with climate risk and opportunities. In the short term there will therefore be a focus on communicating this and increasing competence further. This means increasing understanding of how to identify, assess and manage climate risk and opportunities throughout the company. Case study of physical risks/opportunity Through our ongoing risk evaluations and materiality assessments, Orkla has identified a range of opportunities and risks, including physical risks. Orkla's own production operations are exposed to a relatively limited degree to flooding, water scarcity, power failures or other acute physical risks, but such events will impact the countries in which we operate in the years to come. Orkla expect annual water consumption costs to rise in the medium-term. The risk of water shortage is a relevant risk factor for production of food raw materials that Orkla purchases for its own production. Agricultural drought can lead to raw material scarcity and higher sourcing costs. Collaboration with suppliers to secure raw materials that require lower water consumption will be essential in the medium-term. The Orkla companies in areas exposed to water shortage or power supply interruptions, such as India and Romania, are taking risk-mitigation actions. MTR Foods in India has established systems for collecting rainwater, recycling water, and ensuring access to locally produced solar energy. Case study of transitional risk/opportunity Through our ongoing risk evaluations and materiality assessments, Orkla has defined a range of risks and opportunities, including transitional opportunities. In most markets where Orkla has a presence, there is rising demand for locally produced food, plant-based food and products that promote better health. The increased interest in sustainable products offers substantial opportunity for growth for Orkla. In order to meet this increased interest, Orkla has drawn up criteria for what characterizes sustainable food and grocery products, and in 2019 the companies began to classify their products according to the new criteria. This work continued in 2020, and around 71% of turnover from Orkla's branded goods companies now derives from products that have been classified. The estimated share of turnover generated by products defined as "most sustainable" was 19% in 2020. To be considered one of Orkla's most sustainable products, the product must satisfy the criteria in at least two of the following three categories: sustainable raw materials, sustainable packaging and products that promote a healthy lifestyle. The efforts to develop the current product portfolio in a more sustainable direction continued in full force in 2020, with vigorous focus on plant-based food, "better-for-you" products and new packaging solutions that contribute to less plastic waste, increased recycling of plastic and reduced greenhouse gas emissions.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Compliance with existing regulation is a requirement for all our business units, and the risk of violations of current regulation is monitored through internal EHS audits and governance procedures. Current regulations include national and regional laws and regulations in areas such as emission and environment, product claims, taxes, corporate governance and reporting. Within the risk assessment process, we consider the likelihood and potential consequences of becoming affected by changes in current regulation, such as changes in the regulation on purchase of emission allowances and CO2 taxes. Currently only one boiler at Orkla Foods Sweden Eslöv factory is obliged to purchase emission allowances. We do not expect that other Orkla factories will be included in the EU ETS within phase four. The production is also already influenced by energy tax in the fuel price. As an example, in Norway the energy tax included in the fuel price has an effect of 1090 NOK per tonne of CO2e.
Emerging regulation	Relevant, always included	Emerging regulations include emerging national and regional laws and regulations in areas such as environment, product claims, taxes, corporate governance and reporting. All emerging regulations impacting the business are assessed as part of our environmental management system. An important considered risk is future regulations regarding HFCs as R-404A (GWP 3922) in Europe. From January 1st 2020 it will be illegal to refill refrigeration with HFC with a GWP above 2500. In 2020, Orkla's total emission from R-404A was 102.8 tCO2e, hence a future regulation regarding R-404A will most likely lead to higher operational cost due to taxes and/or HFC leak controls. Another emerging regulation we have identified is that we expect taxes on fossil-fuel energy sources to increase further, which may affect Orkla's production and transport costs. In a 1-3-year perspective, changes in national manufacturer's liability systems are expected to raise the costs of handling used packaging, partly due to the European Strategy for Plastic in a Circular Economy. To contribute to good, cost-effective solutions to plastic pollution problems and reduce greenhouse gas emissions from packaging, Orkla is engaging actively in packaging innovation and collaboration on improvements in collection, sorting and recycling systems. We also anticipate stricter regulation of fishing and production of agricultural raw materials vulnerable to climate change as part of the efforts to ensure sustainable fishing and agriculture. Orkla pursues a dialogue with government authorities on these issues, both directly and through its membership in national and international trade organisations.
Technology	Relevant, always included	We consider risks related to implementation of new technologies and innovations that will be necessary to reach our emission reduction targets and follow the transition to low-carbon and energy efficient business. Effective development and implementation of new technologies as sustainable packaging and renewable energy is important to maintain a competitive position in the market and fulfill customer requirements and expectations. Orkla is responding to these issues through e.g. involvement in research projects and close cooperation with suppliers and research communities. One example is FuturePacks, a research project that aims to develop new expertise and technology to make future plastic packaging eco-friendly. Orkla's crisps factory at Åland in Finland increased its investment in renewable energy in 2020. At the start of the year, the factory switched to electricity generated by locally produced wind power from the Ålandic energy company Allwinds. An investment was also made in expanding the crisps factory's own biogas plant in 2020. Since the late 1980's, the plant has met part of the factory's energy needs with biogas produced from materials such as potato peelings and by products from its own production operations. Since the new investment, production has increased from 650 000 m3 to 1 400 000 m3 biogas pr year, substantially reducing the need for fossil energy sources. The goal is to reduce greenhouse gas emissions from the factory by 1 000 tCO2 per year. Besides potato peelings and factory by-products, sludge from local farms is used to increase the efficiency of biogas production process. The biogas is used as an energy source at the crisp's factory, while residues are returned to the local farms as biofertilizer. This creates a circular flow that significantly reduces the overall impact of both the factory and the farms.
Legal	Relevant, always included	Compliance to national and international legal requirements are non-negotiable for Orkla. Risks related to litigation claims associated with e.g. introduction of new products on the market might lead to additional future costs as well as affecting our reputation. Hence, the risk is always assessed at business level and recognized as relevant for Orkla.
Market	Relevant, always included	We consider risks related to changes in consumer and customer behavior as highly relevant to Orkla. Such changes can lead to reduced demand for our products, and therefore this risk is a part of the overall risk assessment at business level. Consumers and professional costumers are increasingly requesting information on the climate impact of individual products or raw materials, which necessitates new knowledge and expertise and could increase complexity. In order to meet these demands, several Orkla companies have in the past years introduced climate impact labelling of food. In 2019, Orkla Foods Norway launched it's 'Klodemerket' (The Planet Label) for TORO soups. The label is based on a climate impact scale developed in cooperation with the RISE Research Institute of Sweden. In 2020, 'Klodemerket' was used on several products from Orkla Foods Norway, including a number of TORO products, Pizza Grandiosa mozzarella, pesto and tomatoes, and Mandagspizza. Orkla Foods Sweden has launched a similar climate impact labelling system for several products from Felix, Pauluns, and Abba, and Orkla Foods Cesko a Slovensko has introduced climate impact labelling for Vitana soups in the Czech Republic and Slovakia. In 2020, Toro also launched a new webpage aimed at inspiring climate-smart food choices. The webpage features content on the 'Klodemerket' label, tips for green dinners, leftover-based meals and other information that makes it easier for consumers to choose climate-friendly food. According to the Orkla Sustainable Life Barometer survey 2020, as many as 72% of respondents say that they are worried about the negative consequences of using plastic packaging. A total of 63% say it is important to them that the products they buy have recyclable packaging. In cooperation with packaging suppliers and other partners, Orkla focuses on developing new packaging solutions that minimize the use of fossil raw materials and contribute to increased recycling. Orkla Confectionery & Snacks Sweden launched four varieties of OLW crisps in bags made of bioplast produced from pine oil, a residual product from the Nordic forest industry. Use of bioplast in the packaging reduces CO2 emissions by 50% compared to conventional plastic packaging. Orkla Foods Sweden has switched to transparent plastic containers for FELIX ready meals, so that the containers can now be recovered, making it possible to recycle 91 tonnes of plastic per year.
Reputation	Relevant, always included	In the risk assessment process, we have considered risks related to reduced reputation of the company. This may lead to decrease in income due to lower demand for our products, hence the risk was assessed as relevant and is assess at business level. Reputational risks related to sustainability are always present, as Orkla might receive negative mention in the media. Potential examples could be pollution from factories, misleading marketing, ingredients with a negative environmental impact, incorrect reporting, suppliers with unsustainable practices or focus on the environmental impacts of company transportation. A negative reputation can affect multiple stakeholders: shareholders, customers, consumers, suppliers, civil society. Systematic work across all of Orkla to prevent undesirable practices and reduce the negative environmental impacts of our products and operations is critical to reduce the reputation risk. Also, proactive, fact-based and reliable communication is important. It is important to prevent misleading information and use independent third parties in our assessments, as we have done in the climate labelling of Norwegian Toro products. An open and active dialogue with governments, environmental NGOs and other relevant stakeholders is also important in order to get valuable input to the work of reducing the environmental impact of our products and to build trust. Development of easily recyclable packaging solutions and increased use of recycled and renewable materials is important to contribute to circular plastics value chains and turn brand reputation risk into goodwill and brand strength.
Acute physical	Relevant, always included	Acute physical risks e.g. through seasonal flooding and drought in areas where we source our raw materials can lead to increased raw material and operational costs as well as reduced access to raw materials. Hence, the risks are assessed as relevant and evaluated at business level. Flooding and water scarcity might also increase energy costs, for example dry dams. Several Orkla companies in areas exposed to water shortages or power supply interruptions, such as India and Romania, are raking risk-mitigation action. MTR Foods in India has established systems for collecting rainwater, recycling water and ensuring access to locally produced solar energy. Annual water consumption costs are expected to rise in the years ahead.
Chronic physical	Relevant, always included	Climate change is causing water scarcity, erosion and changes in biodiversity that affect the basis for agriculture in vulnerable areas. This type of chronic physical climate risk is expected to lead to considerable fluctuation in the prices of cocoa, cotton, soya and other agricultural products from Asia, Africa, South America and Southern Europe in both the short and long term. In the years ahead, drought, flooding and other forms of extreme weather may also affect crop harvests in the rest of Europe and the USA. The anticipated effects of such acute physical climate risks are cost fluctuations, quality deficiencies and temporary supply problems for key raw materials such as grain, fruit, vegetables and animal products. Ocean warming is causing changes in the sustenance base and habitats of several species of fish, and could affect supply and prices. To reduce the risk of serious shortage of raw materials, Orkla is committed to promoting sustainable agriculture and fishing by monitoring its suppliers, purchasing certified raw materials, participating in improvement projects and engaging in political dialogue. We are also increasing our use of long-term contract farming agreements and are exploring the possibility of replacing certain raw materials with other alternatives.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Orkla considers emerging regulations related to carbon pricing mechanisms as a potential risk, for example potential changes in regulations imposed by the European Union Emission Trading Scheme (EU ETS). Orkla expects that we will be affected by drastic GHG emission reduction requirements as a potential consequence, and Orkla will therefore probably be required to purchase emission allowances for its factory's emissions. As a result, we expect increased operational cost in factories participating in the scheme. Today the production of foods and other consumer goods are not included in the EU ETS. The 4th trading periode (2021 – 2030) will continue with a system of free allocation and has been revised to focus on sectors at the highest risk of relocating their production outside of the EU. The consumer goods sector is not included in this. The chosen sectors will receive 100% of their allocation for free. For less exposed sectors, free allocation is foreseen to be phased out after 2026 from a maximum of 30% to 0 at the end of phase 4 (2030). It is of importance to follow the development of the EU requirements and legislation.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3700000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Currently only one boiler at Orkla Foods Sweden Eslöv factory is obliged to purchase emission allowances. We don't expect any additional Orkla factories to be included in the next phases of the EU-ETS. Assuming a CO₂-price of 250 NOK per tonne CO₂e in 2020 for the EU ETS phase 4 we estimate the maximum cost to be 3,7 MNOK.

Cost of response to risk

200000

Description of response and explanation of cost calculation

The Group closely follows the development of political framework conditions in each market the Group operates in, and if possible the risks and probability are quantified and taken into account in the financial evaluation of the projects, both ongoing and new projects. The management method used to tackle described risk include a number of GHG emission reduction projects. This is established through a Corporate Program "Improved resource and energy efficiency". The program also includes the movement from non-renewable to renewable energy sources as well as investments in renewable energy production. One of the examples for movement from non-renewable to renewable energy sources is the transition at Orkla crisps factory at Åland, Finland, to electricity generated by locally produced wind power. This saves the factory approximately 1000 tonnes CO₂ each year. Examples of improved energy efficiency at several Orkla factories include replacement of lights with LED lights, reduction of energy consumption, sensor control and new electrical systems. Direct cost associated with responding to this risk is a part of an ongoing business and is related to following development in regulatory requirements by EHS employees. The cost of response to risk is approximately 20% of 2 FTE's, which amounts to 200 000 NOK.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Orkla assess that there is a likeliness of emerging regulations related to the introduction of direct carbon taxes on fossil fuels, as well as an increase in carbon taxes on fossil fuels. In countries where such market instrument has already been introduced, an increase of operational costs are already seen. In Norway and Sweden carbon taxes is a part of the fuel prices, and Orkla is expecting the introduction of such taxes in the other countries where Orkla operates. One example from Norway is that the Norwegian Government has published a White Paper regarding an increase in carbon taxes for the non-quota sector. Orkla has an overall goal to work towards fossil free energy consumption and all companies set targets to reduce the use of fossil energy sources. This will in effect have positive effect on climate gas emissions as well as reduced cost due to carbon taxes. In the Orkla crisps factory in Åland, the Group has moved from non-renewable to the generation of renewable electricity through locally produced wind-power. Orkla will increasingly focus on the movement from non-renewable to renewable energy-sources.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

54806726

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Taxes have been introduced in several European countries, but the effect is still unclear. An estimate has been made based on the effect in Norway and Sweden, where the tax is already a part of the fuel price (1090 NOK per tonne of CO₂e). The financial impact was calculated based on amount of tCO₂e emitted in 2020 in Norway and Sweden from burning of fossil fuels that is: 50 281.4 tCO₂e and multiplied with a price of 1 tCO₂e that is 1 090 NOK that gives 54 806 726 NOK.

Cost of response to risk

200000

Description of response and explanation of cost calculation

The Group closely follows the development of political framework conditions in each market the Group operates in, and if possible, the risks and probability are quantified and taking into account in the financial evaluation of the projects, both ongoing and new projects. One of the examples where the Group has made a decision to move from non-renewable to renewable energy sources in order to meet emerging requirements, is the transition at Orkla crisps factory at Åland, Finland, to electricity generated by locally produced wind power. This saves the factory 1000 tCO₂ annually. Direct costs associated with management of this risk is allocated between all the implicated business units from local management up to the Group's central staff units. Direct cost associated with responding to this risk is a part of an ongoing business and is related to following development in regulatory requirements by EHS employees. The cost of response to risk is approximately 20% of 2 FTE's, which amounts to 200 000 NOK.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services
---------------------	--

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Orkla sees a potential risk with the introduction of new regulations regarding information and documentation of environmental impact from products. For example, carbon footprint labelling. This may lead to increased operational costs as this necessitates new knowledge and expertise and could increase complexity. Orkla has developed a tool that makes it possible to map the climate footprint of food products and has begun to provide information on this impact for selected products and customer groups. For example, TORO launched in 2019 a climate impact label to give guidance to consumers on the climate efforts of TORO products and tips on making good climate-smart choices. In 2020, this climate impact label was used on additional products from Orkla Foods Norway. Both Orkla Foods Sweden and Orkla foods Cesko a Slovensko launched similar climate impact label for several of their products. In the years to come, use of this tool will be expanded to include more companies and products. This is a difficult process that will have to be carried out over time.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1600000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

If legislation is introduced, we assume there will be a requirement for a third-party verified LCA assessment of products. Based on prices for the consultancy services needed to conduct LCA assessments, the estimated cost per product is NOK 200 000 on average. The reported financial impact is based on third-party LCA assessments for 8000 products, and Orkla is planning on doing the LCA assessments of the remaining products internally. Given the high cost, we recommend that such regulation is not

introduced and that other measures are evaluated. The potential financial impact was calculated as following: 200 000 NOK x 8 000 products that gives 1 600 000 000 NOK.

Cost of response to risk

3000000

Description of response and explanation of cost calculation

The Group closely follows the development of political framework conditions in each market the Group operates in, and if possible the risks and probability are quantified and taking into account in the financial evaluation of the projects, both ongoing and new projects. Orkla has developed a tool for calculating the Climate impact related to products, "Climate impact tool". Several of Orkla's companies have started to implement the tool, to get a better understanding of the product's climate impact. By working with this type of measure we reduce the risk for mandatory environmental product declarations. Direct cost associated with responding to this risk is allocated between all the implicated business units from local management up to the Group's central staff units. The cost associated with further development of the Climate Impact Tool was estimated to 2 000 000 NOK. The work within the companies to implement the tool and develop product LCAs are estimated to 1 000 000 NOK. The cost of response is therefore the sum of both.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Changing temperatures and precipitations patterns may lead to decreased availability of critical raw materials in the supply chain and volatile prices, especially for agricultural commodities. These may lead to increased operational cost or even disrupt the business operations along the value chain of Orkla companies. Both energy, water and other important food raw materials might be affected. Several Orkla companies in areas exposed to water shortage or power supply interruptions, such as India and Romania, are taking risk-mitigation action. MTR Foods in India has established systems for collecting rainwater, recycling water and ensuring access to locally produced solar energy.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

400000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact was estimated to less than 1% increase in operational cost, as this affects only a few of our factories in India and Romania . Orkla's operating expenses in 2020 was 40 billion NOK, therefore, the potential financial impact was calculated to 400 000 000 NOK.

Cost of response to risk

5000000

Description of response and explanation of cost calculation

An obvious method to respond to the described risk is to reduce consumption of energy and increase energy efficiency. Another method is to diversify the supply sources and become less vulnerable to sudden disruption in the supply change due to e.g. draughts and extreme weather. Example of management method is a mobilized effort in order to increase the percentage of palm oil certified by the Roundtable on Sustainable Palm Oil in the palm oil used by Orkla. Certification reduces the risk of deforestation and other undesirable practices. Orkla's main suppliers have also initiated a range of measures to monitor their sub-contractors, prevent and put out fires and promote sustainable cultivation. Costs associated with responding to this risk relates mainly to internal analyses in order to find more energy efficient solutions. There is also a significant cost premium linked to sourcing environmentally certified palm oil, cocoa, soy, and other raw materials, but regard this as investment in long-term risk reduction (by securing sustainable production of raw materials). The cost of responding to this risk will require internal personnel to conduct analyses for the Orkla companies in order to implement the needed measures. The cost of response risk is estimated to be 5 million NOK, which amounts to the required personnel internally at Orkla (10 FTE's = 5 million NOK).

Comment

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Orkla expects an introduction of either cap or trade schemes or other fuel/carbon taxes of energy in the long term, and we evaluate this as an opportunity for us. Orkla may gain a cost advantage as the majority of the Orkla facilities are located within low carbon grid system and as an energy efficient producer. Low carbon intensive products may also in the future gain a price premium in consumer markets. Different food products need very different amounts of energy per unit of mass depending on their nature, their origin and the kind of processing they have been subjected to. Refined products and products of animal origin generally need an amount of energy several times larger than vegetables, fruits and cereal products. Orkla has for many years had a focus on reducing energy consumption in the production. Consumers are increasingly concerned about the climate footprint from their food consumption. Food with low carbon footprint (vegan, locally produced, etc) are increasingly popular. We therefore see an opportunity in developing and introducing products with higher carbon productivity, meeting consumers and customers expectations like e.g. vegetarian products, products with improved packaging. Examples are the Anamma, NATURLI and recently launched Frankful brands.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

12500000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact was estimated on 1-3% reduction in operating costs. The financial implication of Orkla being located in countries with a higher degree of renewables in the energy mix like e.g. the Nordic region may imply a cost advantage if the price of carbon increase, and also being an energy efficient producer of branded consumer goods represent an opportunity in terms of potential premium prices and lower operational costs. Orkla has set a goal to reduce GHG emissions with 60% from 2014 to 2025. From 2025 to 2030 we assume an annual reduction of 50 000 tonnes of CO₂e due to the change from fossil to renewable energy. We estimate the average carbon price to be NOK 250 per tonne CO₂e. The potential financial impact has been calculated as following: 50 000 tCO₂e x 250 NOK that gives 12 500 000 NOK.

Cost to realize opportunity

30000000

Strategy to realize opportunity and explanation of cost calculation

There is a constant focus among the different Orkla facilities and sites to reduce and reuse energy in order to reduce energy/carbon intensity of the products. Management method used to take advantage of the described opportunity include a number of GHG emission reduction projects. The plans also includes the change from non-renewable to renewable energy sources as well as investments in renewable energy production. One of the examples for changing from non-renewable to renewable energy sources at Orkla crisps factory in Åland, Finland, to electricity generated by locally produced wind power. It is estimated that the factory will save 1000 tCO₂ annually. Other initiatives are changing boilers operating on fossil fuels to renewable fuels. We estimate the cost of installation of one new boiler to be 3 million NOK, and we need to install 10 new boilers (3 million NOK x 10 = 30 million NOK).

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Renewable energy accounted for a total of 47 per cent of our energy use in 2020. We intend to reach our target of 60 per cent renewable energy in 2025 by phasing out fossil fuels and increasing use of energy from renewable sources. Therefore, we see increased use of renewable energy as an opportunity, as the transition to renewable energy is expected to generate a growing cost benefit in the years to come, in step with energy market price trends. This opportunity has the potential to reduce our exposure to climate-related energy taxes and thereby reducing the operating costs. Orkla has invested in HydroPower production in Norway. The energy operations generate and supply electricity to the Nordic power market and have an annual production of 2.5 TWh. One of the examples for movement from non-renewable to renewable energy sources is the transition at Orkla crisps factory at Åland, Finland, to electricity generated by locally produced wind power. It is estimated that the factory will save 1000 tCO₂ annually. Examples of improved energy efficiency at several factories are replacement of lights with LED lights, reduction and control of the leakage of compressed air and improved shut-off procedures. We also have a plan to replace boilers based on fossil fuel to boilers using bio-fuel or renewable electricity.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

222000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The energy consumption is estimated to be reduced by 30% in 2025 compared to the base line year 2014. The energy costs for 2020 was 739 NOK million. Assuming an 30% reduction in energy costs by 2025 will lead to an annual saving of 222 NOK million.

Cost to realize opportunity

5000000

Strategy to realize opportunity and explanation of cost calculation

There is a constant focus among the different Orkla facilities and sites to reduce and reuse energy in order to reduce energy/carbon intensity of the products. Management method used to take advantage of described opportunity include a number of GHG emission reduction projects. This is established through a Corporate Program "Improved resource and energy efficiency". The program also includes the movement from non-renewable to renewable energy sources as well as investments in renewable energy production. Example of improved energy efficiency that are focused at several factories are replacement of lights with LED lights, reduction of energy consumption, sensor control and new electrical systems. In addition, Orkla is participating in the research program HighEFF at Sintef, to increase energy efficiency and ensure green industries. One project example is Orkla Confectionery & Snacks Denmark, that supply surplus heat from its crisps factory at Sønderø to Fjernvarme fyn district heating company. This is equivalent to heat for 400 households and reduces the plant's CO₂ emissions by around 600 tonnes per year. New measures are being explored with a view of supplying district heating to additional households. We estimate an average annual cost for realization of opportunities to be 5 MNOK, which is the salary of 10 Orkla employees required.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Orkla has invested in HydroPower production in Norway. The energy operations generate and supply electricity to the Nordic power market and have an annual production of 2.5 TWh. Orkla Hydro Power is also a part of the system for Guarantees of Origin (GO) and selling certificates for renewable energy and projects. We consider the increased demand for renewable energy as an opportunity for HydroPower, as it has the potential to increase the Group's revenues. In addition, Orkla has a target of 60 per cent renewable energy in 2025 by phasing out fossil fuels and increasing use of energy from renewable sources. Renewable energy accounted for a total of 47 per cent of our energy use in 2020. The use of GoOs is a central part of this strategy to realise the targets, and Orkla has decided to secure GoOs for all Orkla operations in Europe linked to own production of hydro power to secure 100% renewable electricity.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

12500000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact, total revenue, is estimated based on the estimated price for GoOs of NOK 5,0 /MWh and the average production of electrical energy in Orkla of 2,5TWh. The potential financial impact has been calculated as following: 2,5 TWh x 5 NOK that gives a total revenue of 12 500 000 NOK.

Cost to realize opportunity

5000000

Strategy to realize opportunity and explanation of cost calculation

Orkla has invested in HydroPower production in Norway, which generate and supply electricity to the Nordic power market and have an annual production of 2.5TWh. Orkla Hydro power is also a part of the system for Guarantees of Origins (GO) and selling certificates for renewable energy and projects. Orkla has also decided to secure GoOs for all Orkla operations in Europe linked to own production of hydro power. The use of GoOs is a central part of this strategy to realise the targets, and Orkla has decided to secure GoOs for all Orkla operations in Europe linked to own production of hydro power to secure 100% renewable electricity. This had a cost of approx 430 000 NOK in 2020. The estimated cost in the future is estimated to vary and cost to realize opportunity is estimated to 5 MNOK.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, but we intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 2.6	For Orkla's measured Science-based Target we have used IPCC AR 5 and the scenario was identified through the Paris Agreement focus in the news and reviewed by us together with our advisors. The target setting method is based on the allocation mechanism, contraction of absolute emissions, as described in the Science-based Target Setting Manual. The emissions reduction is based on the scenario RCP 2.6 in IPCC's ARG WGIII, chapter 6, table 6.3, page 431. Given the lowest overshoot the global emissions must be reduced by 49-72% by 2050 from 2010 levels in order to have a 12 to 22% chance of stabilizing temperatures below 2°C temperature increase relative to the preindustrial temperature. 72% reduction over 40 years implies an average of 3.13% annual reduction. This level of contraction is used as an absolute minimum, and both mid-term and long-term target are well on the ambitious side of this annual reduction. This time horizon is relevant to Orkla where the SBTs are set at base year 2014 with a 63 % reduction by 2025 and a 77 % reduction by 2040. This includes 100 % of Scope 1 and 2 emissions. The Scope 3 emissions are going to be reduced by 29% within 2025 and 75% by 2040. Thus, the target can be interpreted as in line with the decarbonisation required to stabilize the global temperature to less than 2°C over preindustrial levels. The target can therefore be considered a "science-based" target. 100 % of our relevant emissions in all scopes are included in our analysis on climate-related scenarios. The results of our work with identified both transitional and physical climate risks and opportunities all the good and bad scenarios from IPCC gave us our new SBT. In addition to this, we work with raising awareness and spreading the trend on setting long term SBT and have gotten our SBT approved by the SBTi. The results of this scenario analysis have directly influenced our business objectives and strategy to for example include all relevant Scope 3 emissions in our carbon accounting, as well as including them in our SBT. This means that appropriate emissions reduction activities, such as energy efficiency projects and increased renewable energy consumption, are set to meet the target for all relevant emissions. In the past few years, several Orkla companies have introduced climate impact labelling on food. In 2019, we made the important climate-related decision to introduce a climate impact label of TORO products as part of our sustainability strategy and emission reduction activities based on the scenario analysis and SBTi targets. The label, which was developed in collaboration with the RISE Research Institute of Sweden, is based on the climate impact tool developed by Orkla in 2018. In 2020, the label was used on several products from Orkla Foods Norge, Orkla Foods Sverige and Orkla Foods Cesko a Slovensko. In 2020, TORO also launched a new webpage aimed at inspiring climate-smart food choices. The webpage features content on the label, tips for green dinners, left-over based meals and other information that makes it easier for consumers to choose climate-friendly food.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Consumers are increasingly concerned about the climate footprint from their food consumption. Food with low carbon footprint (vegan, locally produced, etc) are increasingly popular. We therefore see an opportunity in developing and introducing new products meeting consumers and customer expectations like e.g. vegetarian products and products with improved packaging. In 2020, Orkla's food companies launched several new plant-based products in new markets. Orkla aims to achieve strong growth in plant-based foods in the coming years. Plant-based raw materials are important for Orkla's products, and in 2020 around 32% of the turnover of Orkla Foods and Orkla Confectionery & Snacks was generated by vegan products. The plant-based brands NATURLI, Anamma, Felix, Beauvais Veggie and Lecora Green Line had a total turnover of NOK 869 million in 2020 and 21% growth compared with 2019. In 2020, Lilleborg launched SURE, a range of kitchen and personal care products made of renewable, plant-based and 100% biodegradable raw materials. The plant-based ingredients are based on waste and by-products from the agrofood industry. Pierre Robert Group launched a sports collection and a range of tights in 2020 made of textiles produced from recycled plastic and textile waste. Recycled polyester and polyamide require less water, chemicals and energy to produce new synthetic materials and reduce the textile industry's dependency on oil as a raw material. This opportunity impacts all business areas. The magnitude of impact is assessed to be high as long as we see developing demand for those kinds of products. We assess this opportunity to be short- and medium term.
Supply chain and/or value chain	Yes	We see a potential risk of volatile prices and lower availability of raw materials (mainly agriculture) due to climate change. We assume that these risks will impact all business areas. The magnitude of impact is increasing, but the consequences of extreme weather is moderate for Orkla in the short and medium term. Most of Orkla's manufacturing and sourcing is carried out in the Nordics, the Baltics and Eastern Europe, where the likelihood of water shortages and drought is lower than in areas with a warmer climate. However, raw materials produced in other continents, like cocoa, are at risk because of climate change combined with unsustainable farming practices, hence the availability might be threatened. We therefore engage in improvement projects in the value chain, working closely with our suppliers. In 2020, Orkla established a new classification system for sustainable food raw materials with detailed criteria for sustainable raw material production. The system offers a comprehensive approach to promoting sustainable agricultural production, based on the Farm Sustainability Assessment (FSA) framework, developed by SAI platform. Key raw materials are assessed, and supplier's certification systems are compared with the FSA. Where there are no relevant FSA criteria, Orkla has initiated action to establish the necessary criteria. If an existing certification system does not meet the requirements of the FSA Silver level, Orkla will consider other, more suitable certification programmes.
Investment in R&D	Yes	We see an opportunity in developing new products including packaging as well as being part of developing new technologies as partner in R&D programs (e.g. development of bio-based plastic, energy efficient production and increasing recycling). The magnitude of impact is increasing. The companies are involved in a variety of development projects in cooperation with suppliers, external centers of expertise and other players in the value chain. In 2020, Orkla companies continued their efforts to optimize packaging, design packaging to facilitate recycling and develop new packaging solutions based on recyclable, recycled or renewable materials. Orkla cooperates with HolyGrail, which is a joint international project under the auspices of AIM, the European Brands Association. The goal is to test digital watermarking for packaging which makes it possible to track the packaging through the value chain. By identifying types of plastic and previous applications, waste packaging can be sorted more accurately, and the quality of the recycled plastic can be improved. Orkla has been involved in the project since 2019, and in 2020 the new solutions were tested on several products. We assess this opportunity to be medium term.
Operations	Yes	We see an opportunity in renewable energy which we assume will reduce operational costs. The magnitude of the impact is currently low but may increase in the future as we already see increasing carbon taxes in Europe. Orkla has invested in HydroPower production in Norway, which generate and supply electricity to the Nordic power market and have an annual production of 2.5TWh. Orkla Hydro power is also a part of the system for Guarantees of Origins (GO) and selling certificates for renewable energy and projects. Orkla has also decided to secure GoOs for all Orkla operations in Europe linked to own production of hydro power. Renewable energy accounted for a total of 47% of our energy use in 2020. A strategic decision related to our operations is setting our target of 60% renewable energy in 2025 will be reached by phasing out fossil fuels and increasing our use of energy from renewable sources. We assess this opportunity to be short-term.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	We see an opportunity for increased sale of vegetarian food and products with a reduced climate impact. In 2020, around 32% of the turnover of Orkla Foods and Orkla Confectionery and Snacks were generated by vegan products. The share of turnover from vegan and lacto-ovo vegetarian were 57% compared to 53% in 2019. The plant-based brands NATURLI, Anamma, Felix, Beauvais Veggie and Lecora Green Line had a total turnover of NOK 869 million in 2020 and 21% growth compared with 2019. In 2020, Orkla's food companies launched several new plant-based products in new markets. Under the NATURLI brand, the portfolio has been expanded to include a growing number of new products such as Joe'Kurt (vegan alternative to yoghurt), vegan ice cream, plant-based drinks and alternatives to meat. Orkla Foods Sverige has launched Frankful, a new brand driven by sustainability that focuses on plant-based, climate-smart food. Orkla aims to achieve strong growth in plant-based foods in the coming years. We are therefore expecting increase in revenue from sale of vegan, vegetarian, and organic products in the short- and medium term.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2014

Covered emissions in base year (metric tons CO₂e)

294930

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

63

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

109124.1

Covered emissions in reporting year (metric tons CO₂e)

124631

% of target achieved [auto-calculated]

91.6542477929926

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

The Science-based target was developed based on IPCC AR5 RCP2.6. The target is going to be achieved through phasing out fossil fuels for stationary combustion (burning oil and heavy fuel oil) as well as purchase of guarantees of origin for the total electricity consumption in Orkla Group.

Target reference number

Abs 2

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2014

Covered emissions in base year (metric tons CO₂e)

294930

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2040

Targeted reduction from base year (%)

77

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

67833.9

Covered emissions in reporting year (metric tons CO₂e)

124631

% of target achieved [auto-calculated]

74.9898391033576

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

The Science-based target was developed based on IPCC AR5 RCP2.6.

Target reference number

Abs 3

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3 (upstream & downstream)

Base year

2014

Covered emissions in base year (metric tons CO2e)

1698100

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

29

Covered emissions in target year (metric tons CO2e) [auto-calculated]

1205651

Covered emissions in reporting year (metric tons CO2e)

1652350

% of target achieved [auto-calculated]

9.29030214296303

Target status in reporting year

Please select

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

The Science-based target was developed based on IPCC AR5 RCP2.6.

Target reference number

Abs 4

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3 (upstream & downstream)

Base year

2014

Covered emissions in base year (metric tons CO2e)

1698100

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2040

Targeted reduction from base year (%)

75

Covered emissions in target year (metric tons CO2e) [auto-calculated]

424525

Covered emissions in reporting year (metric tons CO2e)

1652350

% of target achieved [auto-calculated]

3.5922501619457

Target status in reporting year

Please select

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

The Science-based target was developed based on IPCC AR5 RCP2.6.

Target reference number

Abs 5

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Other, please specify (Scope 3: Water consumption)

Base year

2014

Covered emissions in base year (metric tons CO2e)

5233.2

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

0.01

Target year

2020

Targeted reduction from base year (%)

20

Covered emissions in target year (metric tons CO2e) [auto-calculated]

4186.56

Covered emissions in reporting year (metric tons CO2e)

7729.2

% of target achieved [auto-calculated]

-238.477413437285

Target status in reporting year

Achieved

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Please explain (including target coverage)

Reduction of GHG emission from water consumption by 20% by 2020.

Target reference number

Abs 6

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3: Waste generated in operations

Base year

2014

Covered emissions in base year (metric tons CO2e)

12980.4

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

0.01

Target year

2020

Targeted reduction from base year (%)

30

Covered emissions in target year (metric tons CO2e) [auto-calculated]

9086.28

Covered emissions in reporting year (metric tons CO2e)

10470.2

% of target achieved [auto-calculated]

64.4612903557158

Target status in reporting year

Achieved

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Please explain (including target coverage)

Reduction of GHG emission from waste management by 30% by 2020.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	35	2985
Implementation commenced*	5	500
Implemented*	130	36852.6
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

250

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2500

Investment required (unit currency – as specified in C0.4)

650000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Lighting has been replaced with LED at several sites.

Initiative category & Initiative type

Energy efficiency in production processes	Waste heat recovery
---	---------------------

Estimated annual CO2e savings (metric tonnes CO2e)

3500

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

7000000

Investment required (unit currency – as specified in C0.4)

23000000

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Installation of heat pump.

Initiative category & Initiative type

Energy efficiency in production processes	Cooling technology
---	--------------------

Estimated annual CO2e savings (metric tonnes CO2e)

600

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

600000

Investment required (unit currency – as specified in C0.4)

2000000

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Improvement of cooling technology at sites.

Initiative category & Initiative type

Low-carbon energy consumption	Hydropower
-------------------------------	------------

Estimated annual CO2e savings (metric tonnes CO2e)

32502.6

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

165000

Payback period

No payback

Estimated lifetime of the initiative

1-2 years

Comment

Emission reduction due to purchase of guarantees of origin for the consumption of the additional amount of electricity (82,000 MWh) in 2020 compared with 2019 in Orkla's locations in Europe and Malaysia.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	Orkla has implemented resource and efficiency program where employee engagement in sustainability work is a part of it. We encourage all employees through different internal initiatives to contribute to Orkla sustainability work and help achieving common goals in these terms.
Internal incentives/recognition programs	Orkla recognizes and prizes any contribution to sustainability work both monetary and non-monetary. We believe that appreciation of the hard work of each part involved in achieving sustainability goals will pay off and stimulate even better performance in the future.
Compliance with regulatory requirements/standards	Orkla committed to phase out heavy oil that is a part of implemented resource and efficiency program. This will allow to be compliant with stringent requirements and drive low carbon business .
Financial optimization calculations	Before making decision of any investment Orkla assesses how it will impact the financial planning towards what climate-related benefits it will bring. The investments with the highest environmental benefits and lowest financial contribution required minimizing the payback time are prioritized.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**Level of aggregation**

Product

Description of product/Group of products

Orkla is involved in a variety of research and innovation projects with the purpose of developing low-carbon or otherwise sustainable products and circular business models. So far, the biggest contributions to revenues come from vegetarian food and products with low-carbon packaging.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (ISO standards for LCA calculations)

% revenue from low carbon product(s) in the reporting year

32

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

134758

Comment

Note: The base year emission has been updated to most recent data.

Scope 2 (location-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

95779

Comment

Note: The base year emission has been updated to most recent data.

Scope 2 (market-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

160172

Comment

Note: The base year emission has been updated to most recent data.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

117701

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

63263.6

Scope 2, market-based (if applicable)

6929.9

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1647175.21

Emissions calculation methodology

The emission data is calculated based on production input of raw materials and "cradle-to-gate" LCA emission factors which again are developed according to ISO 14040-series for different food ingredients and packaging materials made by Swedish Institute for Food and Bio Technology AB, Gothenburg. The number includes emissions associated with withdrawal and treatment of water. Factors used are: 0.344 kg CO2e per m3 for water withdrawal and 0.708 kg CO2e per m3 for water treatment (DEFRA 2020). The GWP values used to calculate the emissions are IPCC Fourth Assessment Report (AR4 - 100 year). Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This is not relevant for our business model.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

22479.2

Emissions calculation methodology

These are upstream scope 3 emissions from the reported fuel consumption emissions in scope 1 and electricity consumption in scope 2. The data source is identical to the data sources in scope 1 and 2 and the source for the emissions factors is The Department of Environment, Food and Rural Affairs, DEFRA 2020. For diesel: 0.6262 kg CO2e per litre, for petrol: 0.5979 kg CO2e per liter, for burning oil: 0.5282 kgCO2e per liter, for LPG: 0.1915 kgCO2e per liter, for natural gas: 0.2641 kgCO2e per m3. For electricity, the source of emission factor is IEA 2014-2016 . As long as electricity consumption from Norwegian locations constitutes over 80% of the total electricity consumption in Orkla Group the same emission factor: Electricity nordic grid loss (0.002 kgCO2e/kWh) was used to calculate upstream emission from the total electricity consumption. The GWP values used to calculate the emissions are IPCC Fourth Assessment Report (AR4 - 100 year). Data quality is identical to what is reported in scope 1 and 2. Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

160000

Emissions calculation methodology

Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard. The emission data comes from the 3rd party companies providing transportation services to Orkla.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

10470.2

Emissions calculation methodology

The activity data is provided by the waste management supplier. In order to reflect the new LCA standard (EN15804) the emission factors shows the total climate impact of waste treatment without including avoided emissions in other systems (next cycle). This means that the energy recovery from the incineration of waste for the production of district heating is not deducted from the emission factor of waste for incineration. Recycled waste fractions includes only a small transport component (collection of waste) while the material recycling and replacement of virgin materials takes place outside the system (by the actor who buy the recycled material). The emission factor is 0.502 kg CO2 per kg incinerated waste and 0.021 for recycled waste. The source of emission factors is Ecoinvent 3.7.1 and DEFRA 2020. The GWP values used to calculate the emissions are IPCC Fourth Assessment Report (AR4 - 100 year). Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2000

Emissions calculation methodology

The data is provided by internal system. The emission factors used come from DEFRA 2020. The GWP values used to calculate the emissions are IPCC Fourth Assessment Report (AR4 - 100 year). Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Employee commuting

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Orkla has not yet mapped GHG emission from employee commuting, however, this emission is assessed to be negligible compared to other calculated GHG emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Any emissions from relevant upstream leased asset are already reported in Scope 1.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

80000

Emissions calculation methodology

Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard. The emission data comes from the 3rd party companies providing transportation services to Orkla.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Orkla ASA produces only consumer's goods with no further processes involved.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Orkla ASA is mainly into food production and only a small share of the products need further preparation before consumption. These emissions are considered negligible.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Orkla ASA is mainly into food production and therefore this category is assessed to be irrelevant.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Orkla does not have any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Orkla is not involved in any franchise activity.

Investments

Evaluation status

Relevant, calculated

Metric tonnes CO2e

30000

Emissions calculation methodology

Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard. The GHG emission was calculated based on % ownership of Jotun AS - 42.6% and the total GHG emission provided by the company. The GWP values used for calculation of Jotun AS GHG emission are IPCC Fourth Assessment Report (AR4 - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Other (upstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Partially

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO2e)

1453739

Please explain

The emission data is calculated based on production input of raw materials and "cradle-to-gate" LCA emission factors which again are developed according to ISO 14040-series for different food ingredients and packaging materials made by Swedish Institute for Food and Bio Technology AB, Gothenburg. Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard.

Activity

Distribution

Scope 3 category

Downstream transportation and distribution

Emissions (metric tons CO2e)

80000

Please explain

Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard. The emission data comes from the 3rd party companies providing transportation services to Orkla.

Activity

Distribution

Scope 3 category

Upstream transportation and distribution

Emissions (metric tons CO2e)

160000

Please explain

Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard. The emission data comes from the 3rd party companies providing transportation services to Orkla.

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Cattle products

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Company-wide GHG emission calculation.

Agricultural commodities

Wheat

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Company-wide GHG emission calculation.

Agricultural commodities

Sugar

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Company-wide GHG emission calculation.

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Cattle products

Reporting emissions by

Total

Emissions (metric tons CO2e)

348900

Denominator: unit of production

<Not Applicable>

Change from last reporting year

Lower

Please explain

Cattle absolute emissions are calculated by multiplying consumption (from Orkla ERP systems) by emission factors. The emission factors are developed for Orkla product category groups based on official sources and verified by RICE research institute of Sweden. The GHG emission for cattle products is based on LCA performed for each product that belongs to this group: beef, milk, milk powder, cream, cheese and butter. The total GHG emission from cattle products has decreased in comparison with 2019.

Sugar

Reporting emissions by

Total

Emissions (metric tons CO2e)

45000

Denominator: unit of production

<Not Applicable>

Change from last reporting year

About the same

Please explain

Sugar absolute emissions are calculated by multiplying consumption (from Orkla ERP systems) by emission factors. The emission factors are developed for Orkla product category groups based on official sources and verified by RICE research institute of Sweden. The total GHG emission from sugar products has slightly increased compared to 2019.

Wheat

Reporting emissions by

Total

Emissions (metric tons CO2e)

81400

Denominator: unit of production

<Not Applicable>

Change from last reporting year

About the same

Please explain

Wheat absolute emissions are calculated by multiplying consumption (from Orkla ERP systems) by emission factors. The emission factors are developed for Orkla product category groups based on official sources and verified by RICE research institute of Sweden. The total GHG emission from wheat have slightly increased in comparison with 2019.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00000384

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

180964.8

Metric denominator

unit total revenue

Metric denominator: Unit total

4713700000

Scope 2 figure used

Location-based

% change from previous year

10

Direction of change

Decreased

Reason for change

There has been observed 5.4% decrease in Scope 1 and 2 location-based GHG emissions in comparison with previous years caused among others by GHG reduction initiatives including those reported in answer to question C4.3b, such as improved energy efficiency in buildings by changing to LED lights. Besides there has been observed increase in revenue by 8.1%. All in all, the value of the current KPI has been reduced by 10% compared to 2019.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	111661.2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	129.6	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	191.6	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	5010.7	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Sweden	38862
Denmark	10184
Germany	58
Estonia	4619
Netherlands	1222
Poland	2274
Austria	3250
China	52
Spain	0
India	988
Norway	10443
Finland	6043
Russian Federation	3629
Lithuania	510
Latvia	8498
Malaysia	13
Iceland	139
Portugal	289
Romania	2851
Slovakia	936
Czechia	21215
Hungary	0
United Kingdom of Great Britain and Northern Ireland	1627

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Orkla Care	2189
Orkla Confectionary & Snacks	29616
Orkla Food Ingredients	16211
Orkla Foods International	29347
Orkla Foods N&B	39969
Orkla Corp.	0
Orkla Consumer & Financial Investments	369

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Partially

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

117701

Methodology

Default emissions factor

Please explain

The GWP values used to calculate the emissions are IPCC Fourth Assessment Report (AR4 - 100 year). Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard. The emission factors used for calculations are the same as disclosed in answer to question C8.2c. The data input is real data gathered from all business units. No exclusions made.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Sweden	8007	876	189671	173937
Denmark	2414	540	41546	36787
Germany	332	0	827	827
Estonia	10090	0	11885	11885
Netherlands	1714	0	4102	4102
Poland	2508	0	3528	3528
Austria	507	0	3400	3400
China	2134	2134	3459	0
Spain	0	0	0	0
India	4378	2046	10595	7874
Norway	5503	101	138768	131825
Finland	1907	1209	24338	15485
Russian Federation	686	0	1922	1922
Lithuania	80	0	1153	1153
Latvia	1643	0	11411	11411
Malaysia	3567	0	5388	5388
Iceland	0	0	3234	3234
Portugal	203	0	683	683
Romania	1907	0	5963	5963
Slovakia	448	0	2820	2820
Czechia	14387	0	29006	29006
United Kingdom of Great Britain and Northern Ireland	848	24	4600	3602
Hungary	0	0	0	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Orkla Care	7205	489
Orkla Confectionary and Snacks	13855	1327
Orkla Food Ingredients	9810	549
Orkla Foods International	19848	2046
Orkla Foods N&B	9871	274
Orkla Corp.	36	15
Orkla Consumer & Financial Investments	2638	2230

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	32502.6	Decreased	1	There was a Scope 1 and 2 GHG emission reduction in amount of 32,502.6 tCO2e due to purchase of guarantees of origin for additional electricity consumption in Orkla European locations. The emission value percentage was calculated as following: (32,502.6 tCO2e/134,443 tCO2e)*100 = 24% where: 32,502.6tCO2e - GHG emission reduction due to above described reasons 134,443 tCO2e - Scope 1 and 2 GHG emission in 2019.
Other emissions reduction activities	8260	Decreased	6	There was a Scope 1 and 2 GHG emission reduction in amount of 8,620,730 tCO2e due to different GHG emission reduction initiatives described in answer to question C4.3b. The emission value percentage was calculated as following: (8,620tCO2e/134,443 tCO2e)*100 = 6% where: 8,620 tCO2 - GHG emission reduction due to above described reasons 134,443 tCO2e - Scope 1 and 2 GHG emission in 2019.
Divestment	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Acquisitions	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Mergers	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Change in output	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Change in methodology	1608.2	Decreased	1	There was a decrease in Scope 1 and 2 GHG emission in amount of 1,608.2 tCO2e due to update of emission factor values used for calculations. The emissions value percentage was calculated as following: (1,608.2 tCO2e/134,443 tCO2e)*100=1% where: 1,608.2 tCO2e - GHG emission reduction due to above described reason 134,443 tCO2e - Scope 1 and 2 GHG emission in 2019.
Change in boundary	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Change in physical operating conditions	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Unidentified	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Other	54908	Increased	41	There were changes in Scope 1 and 2 GHG emission in amount of 54,908 tCO2e. The emission value percentage was calculated as following: (54,908 tCO2e/134,443 tCO2e)*100= % where: 15,374 tCO2e - GHG emission change. 134,090 tCO2e - Scope 1 and 2 GHG emission in 2019.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	55744	564015	619760
Consumption of purchased or acquired electricity	<Not Applicable>	454193	6180	460374
Consumption of purchased or acquired heat	<Not Applicable>	0	36385	36385
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1268	<Not Applicable>	1268
Total energy consumption	<Not Applicable>	511205	606580	1117785

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

34531

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

2.68679

Unit

kg CO2e per liter

Emissions factor source

The Department of Environment, Food and Rural Affairs (DEFRA) 2020

Comment

Fuels (excluding feedstocks)

Petrol

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4163

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

2.3147

Unit

kg CO2e per liter

Emissions factor source

The Department of Environment, Food and Rural Affairs (DEFRA) 2020

Comment

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

92

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.4433

Unit

kg CO2e per liter

Emissions factor source

The Department of Environment, Food and Rural Affairs (DEFRA) 2020

Comment

Fuels (excluding feedstocks)

Burning Oil

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

21299

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

2.5404

Unit

kg CO2 per liter

Emissions factor source

The Department of Environment, Food and Rural Affairs (DEFRA) 2020

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

368012

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.1839

Unit

kg CO2e per kWh

Emissions factor source

The Department of Environment, Food and Rural Affairs (DEFRA) 2020

Comment

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

132847

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

1.5554

Unit

kg CO2e per liter

Emissions factor source

The Department of Environment, Food and Rural Affairs (DEFRA) 2020

Comment

Fuels (excluding feedstocks)

Heavy Gas Oil

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

3066

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

3.1832

Unit

kg CO2e per liter

Emissions factor source

The Department of Environment, Food and Rural Affairs (DEFRA) 2020

Comment

Fuels (excluding feedstocks)

Other, please specify (Bio energy)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

11353

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0

Unit

kg CO2e per KWh

Emissions factor source

Bio energy

Comment

Fuels (excluding feedstocks)

Biodiesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

14599

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.1658

Unit

kg CO2e per liter

Emissions factor source

The Department of Environment, Food and Rural Affairs (DEFRA) 2020

Comment

Fuels (excluding feedstocks)

Wood Pellets

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

29792

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.0155

Unit

kg CO2e per kWh

Emissions factor source

The Department of Environment, Food and Rural Affairs (DEFRA) 2020

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1268	1268	1268	1268
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**Sourcing method**

Other, please specify (Electricity consumption from an onsite solar installation)

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

India

MWh consumed accounted for at a zero emission factor

7570

Comment**Sourcing method**

Other, please specify (Electricity consumption from renewable energy onsite)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

902.1

Comment**Sourcing method**

Other, please specify (Electricity consumption from renewable energy onsite)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Norway

MWh consumed accounted for at a zero emission factor

61.9

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Denmark

MWh consumed accounted for at a zero emission factor

36786.8

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Finland

MWh consumed accounted for at a zero emission factor

15485.1

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Norway

MWh consumed accounted for at a zero emission factor

131700.9

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Sweden

MWh consumed accounted for at a zero emission factor

173937.3

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Germany

MWh consumed accounted for at a zero emission factor

827

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Estonia

MWh consumed accounted for at a zero emission factor

11906

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Lithuania

MWh consumed accounted for at a zero emission factor

1152.6

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Netherlands

MWh consumed accounted for at a zero emission factor

4101.5

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

2699.9

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Latvia

MWh consumed accounted for at a zero emission factor

11411.4

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Iceland

MWh consumed accounted for at a zero emission factor

3233.5

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Poland

MWh consumed accounted for at a zero emission factor

3506.5

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Portugal

MWh consumed accounted for at a zero emission factor

682.6

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Romania

MWh consumed accounted for at a zero emission factor

5692.5

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Slovakia

MWh consumed accounted for at a zero emission factor

2819.6

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Austria

MWh consumed accounted for at a zero emission factor

3400.4

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Russian Federation

MWh consumed accounted for at a zero emission factor

1921.7

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Malaysia

MWh consumed accounted for at a zero emission factor

5388.3

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Czechia

MWh consumed accounted for at a zero emission factor

29005.9

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Orkla Verification 2020.pdf

Page/ section reference

Page: 1-2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Orkla Verification 2020.pdf

Page/ section reference

Page: 1-2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Orkla Verification 2020.pdf

Page/ section reference

Page: 1-2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Orkla Verification 2020.pdf

Page/section reference

Page: 1-2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information	Verification of year on year change in Scope 1 GHG emission is company wide and performed annually. As long as we use ISAE 3000 standard for verification of emissions in all scopes. the same standard was chosen in this case.
C6. Emissions data	Year on year change in emissions (Scope 2)	ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information	Verification of year on year change in Scope 1 GHG emission is company wide and performed annually. As long as we use ISAE 3000 standard for verification of emissions in all scopes. the same standard was chosen in this case.
C6. Emissions data	Year on year change in emissions (Scope 3)	ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information	Verification of year on year change in Scope 1 GHG emission is company wide and performed annually. As long as we use ISAE 3000 standard for verification of emissions in all scopes. the same standard was chosen in this case.

Orkla
Verification
2020.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

15

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2019

Period end date

December 31 2019

Allowances allocated

0

Allowances purchased

8026

Verified Scope 1 emissions in metric tons CO2e

8026

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

In Orkla only one boiler house, in Eslov, Sweden, is at the size to be part of EU ETS scheme. The strategy for complying with EU ETS is to have a constant focus on energy efficiency measures, which will directly reduce the relevant emissions. As part of Orkla's focus on energy efficiency, our goal is to achieve a 20% reduction in energy consumption for the 2014–2020 period and a 30% reduction up to 2025. To transfer best practices for improving energy efficiency, Orkla prepared a central energy initiative in 2015 as part of its Improved Resource and Energy Efficiency programme. As a result of the programme, a growing number of efficiency improvement projects are being implemented in all the business areas. Adjusted for acquisitions and increased turnover, energy consumption has been reduced by 19% since 2014.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

Other, please specify (Including climate change in supplier selection/management mechanism through our Supplier Code of Conduct)

% of suppliers by number

90

% total procurement spend (direct and indirect)

90

% of supplier-related Scope 3 emissions as reported in C6.5

90

Rationale for the coverage of your engagement

At Orkla we work closely with our suppliers all over the world to promote a sustainable value chain for food and grocery products. Regardless of the country concerned, we require that they all comply with the Orkla Supplier Code of Conduct, which defines what we consider to be necessary for the proper conduct of business. Close monitoring of suppliers plays a crucial role in ensuring compliance with our strict guidelines. Orkla's branded consumer goods companies have more than 25,000 direct suppliers. This multitude of suppliers makes it important to give priority to monitoring those considered to be most at-risk of failing to comply with our code of conduct. To identify these suppliers, Orkla carry out systematic risk assessments, in which certain countries, production methods and product categories are given a special risk weighting. Orkla subjects all its main direct suppliers to a bi-annual risk screening using a proprietary tool based on criteria relating to working conditions, the environment and anticorruption. Approx. 4500 suppliers are considered critical Tier 1 suppliers, standing for 90% of the total purchasing spend, which is the suppliers included in our engagement. Risky suppliers are assessed in greater detail based on a standardised method developed by the organisation Sedex. Orkla attaches importance to maintaining a good dialogue with its suppliers in order to promote good practices and continuous improvement. A large part of the Orkla companies' purchases come from local suppliers located in the company's home country. The Nordic region and the Baltics are the primary markets for Orkla's branded consumer goods. 60% of Orkla's overall sourcing comes from local suppliers. The inherent risk of breaches of workers' and human rights, as well as environmental issues, are assessed as higher in connection with purchasing from suppliers in Asia and in certain complex supplier chains for products such as cocoa, palm oil and fish. Climate-related issues are also part of certifications schemes that Orkla has implemented, cocoa (Rainforest Alliance), palm oil (RSPO), fish products (MSC), packaging (FSC), cotton (GOTS), where Orkla has clear policies and goals for the implementation.

Impact of engagement, including measures of success

All suppliers receive the Orkla Supplier Code of Conduct which outlines our expectation on our suppliers. They are required to sign and return the document in which it is stated that environmental impact is considered throughout the value chain. The signing of the Code of Conduct is documented and followed up through internal databases and that's how we measure our success in these terms. We systematically assess all new suppliers as part of a pre- screening process. All existing critical suppliers based on spend are assessed every other year through a desktop assessment including dimensions such as corruption, climate risk and inherent category risk. We ask our high and medium risk suppliers to become Sedex members. Sedex is a global organization to drive improvement for sustainable business practices in global supply chain. Energy consumption is a part of the SAQ (self-assessment questionnaire) that the suppliers are filling out. Selected suppliers are assessed through SMETA 4-pillar audits. In our monitoring of direct suppliers, we primarily identify minor discrepancies, which the suppliers are required to remedy. Measure of success here is share of non-compliances closed. For non-tier 1 suppliers we have a category-based risk assessment process and follow up through our tier 1 suppliers and various type of improvement activities such as certification or supplier led improvement projects. Orkla are members of SAI Platform and aims to use certification standards on minimum SAI Silver level, as an example RSPO is on Gold level. Our certification standards set out important requirements on our supply chains in terms of environmental demands and help farmers improve by various capability building efforts. The percentage of Orkla's raw materials that are certified increased in 2020. An example is that 87% of all cocoa now is Rainforest Alliance certified. Example: close cooperation with local farms that grow potatoes, cucumbers, beets and other vegetables to document the environmental impact of the production and also meeting customers demand for food products based on local raw materials. In India, MTR Foods has worked actively for several years to promote production of clean milk and improve conditions for impoverished dairy farmers.

Comment

Orkla engages currently with around 4500 suppliers on climate-related issues.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

Orkla has started co-operation with costumers in several of our markets. Selection of the customers for co-operation is based on the various reasons; costumer interest and maturity in environmental engagement. Customers who show their interest in answering surveys through various social media channels are included in the engagement, these surveys are directed towards our entire customer base. Orkla is also analysing general market research in order to understand customer preferences and expectations. Orkla is introducing on the market new products with improved environmental impact giving the customers a possibility to compare them with other alternatives on the market and contribute to the avoidance of climate change by choosing those products that are associated with lower GHG emission within all life cycle.

Impact of engagement, including measures of success

To understand the customer expectations Orkla participate in syndicated customer satisfaction surveys carried among the retailers by external partners in several of Orkla's main markets. This includes both survey's conducted by Orkla, as well as general market research. The surveys are carried out on an annual basis giving evaluations of each of Orklas companies within the respective country compared to competitors. The evaluations Orkla receives through the survey's are the way we measure the success of our cooperation with customers. For consumers we use consumer research to get insight and have established consumer service functions trough which we gain input on satisfaction. This is continuously evaluated by Orkla in order to meet customer demands. Before setting new products on the market it has been tested out by chosen consumer groups to have a better understanding about consumer preferences and expectations. We also follow-up the performance of the newly launched sustainable products. The innovation effort of new products is measured as percentage of the sales. The evaluations of customers expectations has resulted in the increased focus on launching vegan and vegetarian products, such as the brands Anamma, Naturli and Frankful. The share of turnover from vegan and lacto-ovo vegetarian were 57% compared to 53% in 2019. The plant-based brands NATURLI, Anamma, Felix, Beauvais Veggie and Lecora Green Line had a total turnover of NOK 869 million in 2020 and 21% growth compared with 2019. As a result of the Orkla Sustainable Life Barometer survey 2020, 72% of respondents say they are worried about the negative consequences of plastic packaging, 63% say it is important that the products they buy have recyclable packaging. In cooperation with packaging suppliers and other partners, Orkla focuses on developing new packaging solutions that minimize the use of fossil raw materials and contribute to increased recycling. For example, Orkla Confectionery & Snacks Sweden launched four varities of OLW crisps in bags made of bioplast produced from pine oil, a residual product from the Nordic forest industry. Use of bioplast in the packaging reduces CO2 emissions by 50% compared to conventional plastic packaging.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We collaborate with certification organisations and key suppliers on preventing tropical deforestation, incl. collaboration with the RSPO, UTZ and Proterra and FSC. This is based on a Group-wide no deforestation policy with time-bound commitments. We prioritize engagement in the supply chains which are considered high-risk. The risk assessment is based on externally available reports and internal competence. In the case of raw materials from tropical regions, Orkla works closely with selected suppliers who implement their own programmes for ensuring deforestation-free raw material production.

We collaborate with other consumer goods companies, retailers and experts to improve business practices linked to climate management, sustainable sourcing and other challenges. Palm oil is an important raw material, also for companies that manufacture cleaning and personal hygiene products. In 2020, Orkla Home & Personal Care joined the Action for Sustainable Derivatives (ASD), an industry initiative targeting suppliers and producers that use derivatives rather than pure palm oil. ASD works to make it possible to trace palm oil all the way back to plantations, to be able to identify environmental and/or social challenges and contribute to improvements at local level.

Orkla uses several types of plant-based protein and constantly seeks interesting new alternatives that are better for the environment and health. Orkla participates in a research project run by Lund University to learn more about rapeseed as an alternative to soya as a source of protein. The aim is to obtain a high-quality ingredient from rapeseed with good techno-functional properties.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Fertilizer management

Description of management practice

Orkla's main suppliers are followed up through an audit program and specific cooperation programs. Several management practices are introduced through these contacts. One example is a cooperation between Orkla Foods Sweden and local farmers producing cucumbers. The farmers are IP-certified and minimize their use of chemical fertilizers.

Your role in the implementation

Knowledge sharing

Explanation of how you encourage implementation

The implementation of described management practice is encouraged by regular meetings, dialogue and audits.

Climate change related benefit

Reduced demand for fertilizers (adaptation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Funding research organizations

Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Food waste, packaging and deforestation)	Support	We have engagement with policymakers, primarily linked to food waste, packaging and de-forestation. An example is the implementation of an agreement between the Norwegian Government and Norwegian Food Industry to reduce food waste.	We support this agreement with no exceptions.
Energy efficiency	Support	We have performed energy audits based on EU Energy Efficiency Directive.	We support this legislation with no exceptions.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

NHO Mat & Drikke (Norwegian Food and Drink Federation)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

NHO is an active partner for the Norwegian government in engaging business in efforts towards the Sustainable Development Goals (SDG) and has a particular focus on business opportunities linked to renewable energy and technology development.

How have you influenced, or are you attempting to influence their position?

Orkla supports the sustainable development goals and have support the positive initiatives from the trade associations. Among others Orkla has taken a leading role in the work on zero deforestation in Norway and Sweden.

Trade association

Cereals Europe

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Cereals Europe work towards creating a positive and balanced regulatory environment conducive to sustainable growth.

How have you influenced, or are you attempting to influence their position?

Orkla supports the Sustainable Development Goals and have support the positive initiatives from the trade associations. Among others Orkla has taken a leading role in the work on zero deforestation in Norway and Sweden.

Trade association

Swedish Food Federation

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Swedish Food Federation has developed a sustainability manifest towards 2025 and states among others a focus on climate gas reductions, waste reduction, energy efficiency and renewable energy.

How have you influenced, or are you attempting to influence their position?

Orkla supports the sustainable development goals and have support the positive initiatives from the trade associations. Among others Orkla has taken a leading role in the work on zero deforestation in Norway and Sweden.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Orkla joined the UN Global Compact in 2005, and participates with more than 8,000 other companies and organizations in promoting the Global Compact's ten core principles of human and labour rights, environment and anti-corruption. Through the adherence to the Global Compact Orkla has committed itself to report annually on progress. We do this through the publication of Orkla's Sustainability Report, which describes the group's work on sustainability and CSR issues during the last year. At the same time, Orkla's website contains detailed information about the group's policies and practice on specific themes.

Orkla is actively engaged in dialogue with a number of organisations on various issues. For example, Orkla's policy and approach to sustainable palm oil and deforestation-free supply chains were developed with input from the Rainforest Foundation of Norway and Greenpeace. The Rainforest Foundation has played an important role in assisting the Norwegian government in establishing a program for forest protection under the REDD system. Orkla is participating in a forum on fossil-free plastic organised by the organisation Zero for learning, and in a Swedish industry and retailer sustainability network administered by WWF. Orkla participate in the 10 year R&D programme; HighEFF - Centre for an Energy Efficient and Competitive Industry for the Future, is one of Norway's Centres for Environment-friendly Energy Research (FME) co-funded by the Research Council of Norway and Industry. The host institution is SINTEF Energy Research. Future Pack is a major new research project funded by the Research Council of Norway and participating companies. The purpose of the project is to develop capabilities and technology for the production and recycling of both fossil and bio-based raw materials. The aim is to be able to make more sustainable plastic packaging. The project also examines specific case studies related to product recycling.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Contact with authorities and communication with external organisations take place at Group and company level. The management of the individual company maintains a dialogue with local and national political authorities to find workable solutions to individual issues that concern their operations, and to create understanding for the companies' goals, plans and needs. We have an internal communication network where important activities are discussed and coordinated.

In addition, the Orkla companies maintain an ongoing dialogue with the supervisory authorities to ensure compliance with the operating requirements imposed by the authorities and to obtain advice on practical issues. This contact is administered by the relevant specialist functions at the individual factory. Orkla ASA Corporate Communications and Corporate Affairs maintains a dialogue with the authorities at Nordic level and in Brussels concerning legislation on food and the framework conditions for trade policy, such as the EU program Farm to Fork and the taxonomy. At Group level, Orkla is a member of the Strategic Council for Environmental Technology, the Government's consultative body in work on preparing a national environmental technology strategy. Much of the dialogue with authorities in the countries in which Orkla is represented takes place through national employers' organisations such as the Confederation of Norwegian Enterprise (NHO), the Swedish Food Federation (LI) and the Confederation of Danish Industry (DI), as well as industry and trade associations. Through these channels of dialogue, Orkla receives input regarding new regulations relevant for the Orkla companies, such as regulations on carbon taxes, as well as national climate strategies. Orkla continuously work towards being in line with the national climate strategies where we are located, as well as being proactive in meeting new regulations regarding climate change.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

Orkla Annual Report 2020.pdf

Page/Section reference

Chapter 3, pages: 56-157

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Soil

Water

Description of impacts

Reduced soil and water pollution. We have just started cooperation with suppliers related to different management practices.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

The cooperation so far with few suppliers to start with we have a positive attitude to manage, mitigate, control or adapt to management practice.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO and President	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	47137000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	NO	0010848237

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

McDonald's Corporation

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

593.3

Uncertainty (±%)

5

Major sources of emissions

Natural Gas, LPG and wood pellets combustion as well as refrigerants leakage.

Verified

Yes

Allocation method

Other, please specify (Based on revenue from sale of products)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The brands purchased by Mc Donalds are produced in Fågelmara, Vega Eslöv, Orchard Valley Foods Sweden, Frima Vafler and Orchard Valley Foods ltd in Sweden, Denmark and England. These factories are included in annual GHG emission accounting and hence, Orkla has an overview of the carbon footprint for their production. The allocation of emissions was based on revenue from the factories. Therefore, it is limited due to the fact the factories produce also other products with different market value. The market value of the products does not necessarily correspond to the carbon footprint.

Requesting member

McDonald's Corporation

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

45.5

Uncertainty (±%)

5

Major sources of emissions

Electricity

Verified

Yes

Allocation method

Other, please specify (Based on revenue from sale of products)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The brands purchased by Mc Donalds are produced in Fågelmara, Vega Eslöv, Orchard Valley Foods Sweden, Frima Vafler and Orchard Valley Foods ltd in Sweden, Denmark and England. These factories are included in annual GHG emission accounting and hence, Orkla has an overview of the carbon footprint for their production. The allocation of emissions was based on revenue from the factories. Therefore, it is limited due to the fact the factories produce also other products with different market value. The market value of the products does not necessarily correspond to the carbon footprint.

Requesting member

S Group

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

1791.1

Uncertainty (±%)

5

Major sources of emissions

Burning oil, LPG, and wood pellets combustion as well as refrigerants leakage.

Verified

Yes

Allocation method

Other, please specify (Based on revenue from sale of products)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The brands purchased by S Group are produced in Haraldsby and Vajakoski factory in Finland. These two factories are included in annual GHG emission accounting and hence, Orkla has an overview of the carbon footprint for their production. The allocation of emissions was based on revenue from S Group. Therefore, it is limited due to the fact the factories produce also other products with different market value. The market value of the products does not necessarily correspond to the carbon footprint.

Requesting member

S Group

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

484

Uncertainty (±%)

5

Major sources of emissions

Electricity

Verified

Yes

Allocation method

Other, please specify (Based on revenue from sale of products)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The brands purchased by S Group are produced in Haraldsby and Vajakoski factory in Finland. These two factories are included in annual GHG emission accounting and hence, Orkla has an overview of the carbon footprint for their production. The allocation of emissions was based on revenue from S Group. Therefore, it is limited due to the fact the factories produce also other products with different market value. The market value of the products does not necessarily correspond to the carbon footprint.

Requesting member

Kesko Corporation

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

0

Uncertainty (±%)

5

Major sources of emissions

Burning oil, LPG, and wood pellets combustion as well as refrigerants leakage.

Verified

Yes

Allocation method

Other, please specify (Based on revenue from sale of products)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The brands purchased by Kesko Corporation are produced in Orkla Wound Care's factories in Spain and Poland. These two factories are included in annual GHG emission accounting and hence, Orkla has an overview of the carbon footprint for their production. The allocation of emissions was based on revenue from Kesko Corporation. Therefore, it is limited due to the fact the factories produce also other products with different market value. The market value of the products does not necessarily correspond to the carbon footprint.

Requesting member

Kesko Corporation

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

12.23

Uncertainty (±%)

5

Major sources of emissions

Electricity.

Verified

Yes

Allocation method

Other, please specify (Based on revenue from sale of products)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The brands purchased by Kesko Corporation are produced in Orkla Wound Care's factories in Spain and Poland. These two factories are included in annual GHG emission accounting and hence, Orkla has an overview of the carbon footprint for their production. The allocation of emissions was based on revenue from Kesko Corporation. Therefore, it is limited due to the fact the factories produce also other products with different market value. The market value of the products does not necessarily correspond to the carbon footprint.

Requesting member

Coop Danmark A/S

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

461.4

Uncertainty (±%)

5

Major sources of emissions

Burning oil, LPG, and wood pellets combustion as well as refrigerants leakage.

Verified

Yes

Allocation method

Other, please specify (Based on revenue from sale of products)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The brands purchased by Coop Danmark A/S are produced in Orkla Food Ingredients factories in Denmark and Finland. These two factories are included in annual GHG emission accounting and hence, Orkla has an overview of the carbon footprint for their production. The allocation of emissions was based on revenue from Coop Danmark A/S. Therefore, it is limited due to the fact the factories produce also other products with different market value. The market value of the products does not necessarily correspond to the carbon footprint.

Requesting member

Coop Danmark A/S

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

263.8

Uncertainty (±%)

5

Major sources of emissions

Electricity

Verified

Yes

Allocation method

Other, please specify (Based on revenue from sale of products)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The brands purchased by Coop Danmark A/S are produced in Orkla Food Ingredients factories in Denmark and Finland. These two factories are included in annual GHG emission accounting and hence, Orkla has an overview of the carbon footprint for their production. The allocation of emissions was based on revenue from Coop Danmark A/S. Therefore, it is limited due to the fact the factories produce also other products with different market value. The market value of the products does not necessarily correspond to the carbon footprint.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

The Scope 1 and 2 GHG emission on a company level is presented in the Orkla Annual Report, 2020. However, it is not split per factory.

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Limitation of products portfolio.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Orkla in cooperation with Swedish research institute has developed LCA tool to assess environmental impact of each product in its portfolio. That includes also carbon footprint. The tool will facilitate allocation of emissions to each customer in the future. Knowing the quantities of orders and the carbon footprint of the particular products we will be able to easily calculate associated total GHG emissions with high certainty.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms